U.S. Regulatory Compliance for Cross-Border Investments

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In November 2014, the U.S. Bureau of Economic Analysis (BEA) released its newest reporting requirements for U.S. business enterprises (whether incorporated or not) that are acquired, established or expanded and are or have become foreign owned. During the first quarter of 2015, the BEA will be releasing its five-year reporting requirements for U.S. persons and business enterprises with ownership interests in foreign business enterprises. The BEA regularly requires U.S. persons and business enterprises that (i) own foreign business enterprises, or (ii) are owned by foreign persons or business enterprises, to file reports with the BEA if certain criteria are met. These reports include quarterly, annual and five-year filings, as well as the new filing requirement for acquisitions, establishments or expansions of U.S. business enterprises that are or become foreign owned. Failure to file required reports may be punishable by both civil and criminal penalties.